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Division of Licensing and Regulatory Services

June 26, 2009

123 Medical Center Drive Brunswick, Maine 04011 (207) 729-0181 www.midcoasthealth.com

Phyllis Powell, Manager Certificate of Need Unit Division of Licensing and Regulatory Services Department of Health and Human Services State House Station 11 Augusta, Maine 04333

Re:

Withdrawal of Mid Coast Hospital CON to Consolidate Healthcare

Services in the Mid Coast Region

Dear Ms. Powell:

As you know, Mid Coast Hospital filed a Certificate of Need application on December 15, 2008 to "Consolidate the Health Care Services in the Mid Coast Region". Our application was filed as a competing application in anticipation of a CON submission by CMMC to acquire PAMC. For whatever reason, CMMC has chosen not to follow through with a CON for the legal acquisition of PAMC. We find this very peculiar in that CMMC is acting very much like they have acquired PAMC through its advertisements, public statements, hiring of PAMC's staff, and other actions. Nevertheless, since CMMC has not filed a CON application, we are hereby withdrawing our CON application for the "Consolidation of Healthcare Services in the Mid Coast Region".

As you are aware we have written your office on a number of occasions asking you to investigate whether CMMC has violated the CON act by illegally transferring funds to PAMC and by effectively taking control of PAMC through a series of mortgages on all of their assets. On June 22, 2009 we received notification that your office "has determined that PAMC/CMMF's relationship does not violate section 329(1) of the CON Act". We respectfully, but vehemently disagree with this conclusion and will continue to bring forth additional evidence to support our contention.

Sincerely,

Herbert Paris

President and Chief Executive Officer

pc:

Brenda Harvey Catherine Cobb